

## Message Text

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ACTION NEA-10

INFO OCT-01 EA-07 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

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SIL-01 /085 W

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R 211225Z SEP 76

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 9201

INFO AMEMBASSY SEOUL

AMEMBASSY TOKYO

C O N F I D E N T I A L TEHRAN 9522

E.O. 11652: GDS

TAGS: EFIN EAID PFOR KN IR

SUBJ: IRAN/NORTH KOREA TRADE CREDIT AGREEMENT

REF: (A) 75 TEHRAN 10238, (B) 75 TEHRAN 10434

1. IN COURSE OF A REVIEW OF IRAN'S FOREIGN ASSISTANCE WITH MIN OF ECONOMIC AFFAIRS AND FINANCE DIR OF FROEIGN LOANS, REZA KHALEGHI-ROD, ECONOFF ASKED ABOUT THE STATUS OFTRADE CREDIT FOR NORTH KOREA. AS OF OCTOBER 1975, AND REPORTED IN REFTELS, GOI WAS RESISTING AS RESULT OF EMB INTER-CESSION CONCLUSION OF A \$200 MILLION DOLLAR TRADE CREDIT EAGERLY SOUGHT BY THE DPRK. KHALEGHI-ROD SAID THAT THE CREDIT AGREEMENT WAS CONCLUDED LAST IRANIAN YEAR (ENDED MARCH 20, 1976) BUT NO DISBURSEMENTS HAVE BEEN MADE. THE GOI IS ALWAYS SECRETIVE CONCERNING TERMS AND RATES OF INTEREST IN ITS FOREIGN CREDITS, BUT IT IS POSSIBLE THAT THE TERM OF THIS CREDIT WOULD BE THE SAME AS THE EIGHT YEARS BELIEVED APPLIED TO CREDITS ALREADY GIVEN TO BULGARIA, POLAND AND, ROMANIA. ASKED WHY NO DISBURSEMENTS HAVE OCCURRED, HE SAID HE IS CONTINUING TO DELAY BECAUSE HE IS UNCOMFORTABLE WITH BOTH THE SORTS OF GOODS WHICH THE NORTH KOREANS WOULD EXPORT TO IRAN AS WELL AS THE ABILITY TO THE DPRK TO REPAY.

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HE SAID THAT THE DPRK HAD SATISFIED THE GOI'S REQUEST FOR COUMENT-

ATION AND THAT IN ANSWER TO CONSTANT PRODINGS BY THE DPRK AMB TO IRAN AND HIS STAFF, KHALEGHI-ROD REPLIES THAT THE GOI COUNCIL OF MINISTERS HAS NOT YET VALIDATED THE \$200 MILLION CREDIT AGREEMENT.

2. EMBOFF ASKED KHALEGHI-ROD IF HE HAD CURRENT FIGURES ON THE NORTH KOREAN EXTERNAL DEBT. HE SAID HE DID NOT BUT WOULD APPRECIATE THEM. EMB IS SEEKING BY SEPARATE CHANNEL MOST RECENT DPRF EXTERNAL DEBT AND DELINQUENCY DATA AND WILL PROVIDE THEM TO MEAF UNDER SECY ASHRAFI THROUGH KHALEGHI-ROD.

3. COMMENT: IN CONVERSATION WITH THE AMB SOME MONTHS AGO, COURT MINISTER ALAM REFERRED TO THE HIGHLY SUCCESSFUL VISIT OF PRINCE ABDORREZA TO NORTH KOREA, A VISIT WHICH THE NORTH KOREANS WERE CREDITED WITH PROVIDING MAXIMUM RED-CARPET TREATMENT AND A SUCCESSFUL HUNTING TRIP, AND HINTED THAT IRAN WOULD IN THE NEAR FUTURE END UP PAYING FOR THE VISIT IN SOME WAY. IT WOULD APPEAR THAT A COMBINATION OF THIS HOSPITALITY DEBT AS WELL AS CONSTANT PRESSURES BY THE DPRK SUCCEEDED IN THE CONCLUSION OF THE CREDIT AGREEMENT. HAVING DONE THAT, DELAYING TACTICS ON ITS IMPLEMENTATION WOULD BE THE ONLY REMAINING ACTIONS AVAILABLE TO THE IRANIANS IF, AS KHALEGHI-ROD IMPLIES, THEY HAVE NO OVERRIDING REASONS FOR THE AGREEMENT'S IMPLEMENTATION. A FURTHER DOCUMENTATION OF THE DPRK EXTERNAL DEBT MAY STIFFEN THE GOI'S WILL IN DEFERRING DISBURSEMENTS TO THE DPRK.

HELMS

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